



DELAWARE HEALTH FUND ADVISORY COMMITTEE

Public Meeting

Health Fund Advisory Committee
November 29, 2017 - 10 a.m. to 12 p.m.

MINUTES

Present:	Secretary Kara Odom Walker Representative Debra Heffernan Representative Ed Osienki Senator David McBride Mr. Don Fulton Ms. Ann Kempinski Mr. Paresh Patel Dr. Charles Reinhardt	Absent:	Senator Bryan Townsend Ms. Paula Roy (phone)
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I. Welcome and Introductions

- a. The meeting began at 10:05 a.m.
- b. All members introduced themselves.

II. Approval of Minutes from the November 6, 2017 Meeting

- a. Mr. Patel requested a correction on his comments on page 2 of the minutes. The blank space should read “University of Pennsylvania Center for Innovation”. His son is working on a sleep apnea project there.
- b. Rep. Osienki motioned to approve the minutes with Mr. Patel’s correction. Mr. Fulton seconded the motion. The motion carried, and the minutes were approved.

III. Discussion of FY 19 Recommendations

- a. Secretary Walker gave a presentation looking at an overview of healthcare trends to watch in Delaware, including a high teen birth rate, high infant mortality rate, increasing rate of adverse childhood experiences, and teen substance abuse and mental health.
- b. Secretary Walker talked about what a Health Innovation Fund could look like. She gave a presentation outlining her proposal for the Fund, but said future public meetings would need to be held to discuss how to set up and manage the Fund, how committee members would be selected, and applicant requirements and eligibility. Previously, new programs have not been allowed to come in, but this

new fund would encourage the proposal of new ideas and encourage programs to request funding to address emerging health trends.

- i. Mr. Patel said a lot of good information was presented. The opioid crisis is a trend he is concerned about. He asked for statistics on babies born addicted to opioids in Delaware.
 1. Secretary Walker responded that there was an increase in Neonatal Abstinence Syndrome (NAS), from 11.9 per 1,000 births in 2010 to 23.0 per 1,000 births in 2015. There were 1,172 cases of NAS in Delaware between 2010 – 2015, the overall rate for that time period was 18.6 per 1,000 births.
- c. Secretary Walker discussed the two new FY 19 Health Fund Summary scenarios, labeled KOW and Scenario 5. Scenario 5 would keep funding levels for all programs relatively the same, while the KOW Scenario shifts funding priorities to new health trends and moves the switch funded programs to DHSS's GF budget. She invited the committee to comment on the scenarios and ask questions.
 - i. Deputy Secretary Magarik noted that DHSS requested all switch funded programs be moved into the DHSS base budget for FY 19. A recommendation from the Committee to do so would be consistent with what was sent to the Governor.
 - ii. Rep. Osienski asked for clarification that the scenarios are the same except that in the KOW scenario the switch funded programs are moved to DHSS's base budget.
 1. Secretary Walker went through both scenarios. The key aspects of Scenario 5 are restoring DPAP, funding tobacco prevention at FY 18 levels, funding the Health Innovation Fund that was discussed earlier, and funding other programs close to their FY 18 levels or with small reductions. The KOW scenario highlights the areas that could have funding reduced to target other health trends, such as infant mortality.
 - iii. Rep. Heffernan said that she found the section of Scenario 5 where it states "fund all programs at FY 18 funding level with the following exceptions" to be troubling, since it references decreasing funds for breast and cervical cancer treatment and medical treatment for SSI. There isn't really a scenario where all programs are funded at FY 18 levels and DPAP is also funded.
 1. Secretary Walker responded that the challenge is to decide whether to fund all programs equally and all programs might experience a cut, or to pick and choose which programs are funded.
 2. Ms. Stant said that the specific programs that Rep. Heffernan had highlighted are within the Division of Medicaid and Medical Assistance and these are their requests for funding, as they've seen either demand for the program change based on enrollment or a

change in federal funding for a program. They requested the decrease.

- iv. Sen. McBride asked if the Administration supported moving the switch funded programs to the General Fund budget.
 - 1. Deputy Secretary Magarik said yes, it has been brought up in conversations with OMB and the Governor's Office. There has been no opposition to date, but until the Governor releases his recommended budget they can't say with any certainty that what they've requested will be in it.
- v. Mr. Fulton said he liked pretty much everything in the KOW scenario, with the exception of the removal of some funding from cancer programs. Funding these programs are at the heart of the Committee's purpose. Some of these programs have proven to be incredibly successful, he believes removing funding from them would be a grave mistake. There might be fewer smokers, but if funding to smoking education programs is reduced, there could be an increase.
 - 1. Secretary Walker said determining when success has been achieved by a program is a difficult determination. She appreciated his point.
- vi. Rep. Heffernan asked what the Committee's recommendation was for the Health Innovation Fund last year. Did they just create it and not allot any funding for it?
 - 1. Secretary Walker responded that the funding level was the same last year as is proposed this year.
- vii. Secretary Walker asked the Committee for their comments on Mr. Fulton's proposal. There would be a \$1.2 million shortage if all programs were funded at the FY 18 rate and DPAP was added.
 - 1. Rep. Heffernan said in Scenario 5 recommended funding for prevention programs at FY 18 levels. If they still funded those at that level that would help reduce the shortage.
 - a. Mr. Fulton stated that he is not in favor of that for reasons mentioned earlier. The \$1.2 million could be funded out of the committee's reserve budget.
- viii. Mr. Patel suggested going section by section through both scenarios and discussing the differences and what should be changed.
 - 1. Secretary Walker agreed that would be helpful. The lines highlighted in red indicate changes were made.
 - a. She began with Section 1, Cancer Programs, of Scenario KOW, with Mr. Fulton's recommended change and restoring the programs to their FY 18 budget level.
 - b. In Section 2, Disability Programs, there were some changes made in funding based on recommendations from DMMA. The levels are pretty consistent.

- c. In Section 3, Tobacco Prevention and Control Programs, the levels of funding are increased from FY 18. The increase is reflected particularly in the prevention lines. The Mammography Van line was moved up to the Cancer Programs section.
- d. Section 4 is DPAP, which was refunded based on the Committee's previous discussions.
- e. In the Workforce Development Programs, there has been a continuous need for new nurses so these programs are still very much needed.
- f. In the Behavioral Health Programs, some of the programs will be moved to DHSS's base budget.
 - i. Deputy Secretary Magarik said the move would be consistent with DHSS's FY 19 budget proposal and would not require them to increase their budget request. There are new federal funds allocated that will help cover the additional cost.
 - ii. Mr. Patel asked if substance abuse vendors would receive a similar level of funding that they did previously.
 - 1. Deputy Secretary Magarik responded that they believe that they can repurpose existing funds to keep them at the same level of funding.
 - iii. Dr. Reinhardt asked if these programs should appear under the switch fund by name.
 - 1. Secretary Walker responded that it wouldn't be listed under the switch fund because the programs would no longer be funded by HFAC. In the future, it may be helpful for the Committee to see DHSS's proposed budget as well.
 - iv. Mr. Fulton said he anticipates the program is still funded under DHSS's budget instead of the Committee's.
 - 1. Secretary Walker confirmed that he was correct.
- 2. Rep. Osienski asked why the Mammography Van funding was cut.
 - i. Secretary Walker responded that it was not, the program was just moved to the other cancer programs section.

3. Mr. Fulton and Mr. Patel commended the Secretary for her efforts with this scenario and appreciate that behavioral and mental health programs are being made a priority by the Department.
4. Sen. McBride commended the Secretary for her effort with the KOW Scenario. He appreciates that DPAP is refunded. He believes he can speak for many legislators when he says he's gotten calls from constituents that have been affected by the prescription "donut hole". He hopes this recommendation will be successful during budget hearings.
5. Rep. Heffernan asked about moving the Behavioral Health Programs. Will it just be funding for particular vendors or will the funding be used in some other way to meet that need? She would like to ensure that particular vendors still receive funding.
 - a. Secretary Walker said it probably won't be included as a line item in DHSS's proposed budget since subcontractors are not typically named there, but she will make a note to mention vendors by name in the narrative portion of her presentation to JFC.

IV. Voting on FY 19 Recommendations

- a. Rep. Osienski motioned to accept the KOW Scenario with Mr. Fulton's changes. The scenario expends \$25,365.8, which can be done with spending \$1,215.8 in funds from the Reserve. Dr. Reinhardt seconded the motion. All present members were in favor. The motion carried.

V. Discussion of Outcomes-based Ranking and Process for FY 20

- a. Secretary Walker suggested setting a meeting date to discuss the specifics of the application process and the way programs are evaluated in early 2018.
 - i. Mr. Fulton agreed.
- b. Sen. McBride requested that after the Governor introduces his recommended budget that the Committee members are updated on the status of their request.
 - i. Secretary Walker agreed, it would also be good to discuss their strategy for presenting on Behavioral Health Programs to JFC.
 1. Mr. Fulton asked what the format for presenting to JFC was. He said it might be more impactful if a HFAC committee member could present their proposed budget to JFC.
 2. Sen. McBride said it is much easier for funding recommendations to stay in the budget if it is already included in the Governor's recommended budget. He said he is happy to talk to Governor Carney about the importance of these funding recommendations, but demands always exceed supply and the Governor has to make tough funding decisions.

VI. Discussion of Additional Meetings

- a. No additional meeting needed since recommendations were approved.

VII. Public Comment

- a. There were no comments from the public.

VIII. Next Public Meeting

- a. The next public meeting will likely be in January or February.

IX. Adjournment

- a. Mr. Patel made a motion to adjourn the meeting. The motion was seconded by Sen. McBride. The meeting was adjourned at 11:04 a.m.